Allianz

Allianz Life Insurance Company of North America

USING LIFE INSURANCE TO COVER MORE THAN YOUR LIFE

Your grandchild's education can be part of your legacy.

Help your grandchildren get a strong start. The main reason for buying life insurance is to provide a death benefit for your loved ones. But it can also help supplement the cost of your grandchildren's education.

Here's an example:
You gift premiums to your son or daughter so they can purchase a life insurance policy on their life, with their own children named as beneficiaries. In the event of the insured's death, your grandchildren will receive the death benefit, which is generally paid to beneficiaries income-tax-free, and can be used to help fund their college education.

In addition, it offers the potential to build accumulation value tax-deferred that can be accessed later for a variety of reasons, such as the cost of your grandchild's education, through policy loans or withdrawals.[1] When taking policy loans, you should manage your policy values to ensure the policy remains in force.

Potential advantages for you – and for them
Using life insurance to help fund a grandchild's college education can offer many advantages.

There are no complex eligibility requirements, no qualified education costs, and no income limits to consider. Plus, money received through policy loans or withdrawals generally won't affect your grandchild's eligibility for other financial aid. Keep in mind, life insurance policies require health and financial underwriting.

For more information on how life insurance works, and to determine if this strategy may be appropriate for you, please contact your financial professional.

→ **DISCOVER HOW LIFE INSURANCE CAN HELP YOU CREATE A LEGACY.** Ask your financial professional today.

[1] Policy loans and withdrawals will reduce the available cash value and death benefit and may cause the policy to lapse, or affect guarantees against lapse. Withdrawals in excess of premiums paid will be subject to ordinary income tax. Additional premium payments may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. If a policy is a modified endowment contract (MEC), policy loans and withdrawals will be taxable as ordinary income to the extent there are earnings in the policy. If any of these features are exercised prior to age 59½ on a MEC, a 10% federal additional tax may be imposed. Tax laws are subject to change and you should consult a tax professional.

Products are issued by Allianz Life Insurance Company of North America, PO Box 59060, Minneapolis, MN 55459-0060. www.allianzlife.com

M-5288 (R-10/2024)